



February 4, 2022

Arizona Corporation Commission
1300 W. Washington Street
Phoenix, AZ 85007

RE: Docket No. E-00000V-19-0034

Madam Chair and Commissioners,

Integrated Resource Plans (IRP) are one of the most important processes that the utility, stakeholders, and the Commission engage in. It is one of the best opportunities for stakeholders to participate in the decisions the utilities make, it is an opportunity for the utility to demonstrate real commitment to their clean energy goals, and it is essential for keeping the lights on. Indeed, outages in California in 2020 and Texas in 2021 were largely due to inadequate resource planning.

Personally, I have had the opportunity to work on resource plans with four utilities, including all of Arizona's large utilities. I was a member of both Tucson Electric Power (TEP) and Arizona Public Service (APS)'s 2020 IRP advisory councils. We have been talking about the 2020 IRPs since late 2018 for APS and spring of 2019 for TEP. I have also read each IRP and filed written comments for both on behalf of Western Resource Advocates (WRA) back in October of 2020. It is essential that the Commission refine this process so that we are not still discussing plans two years after filing and three or more years after the data was collected. Same year review is possible and is common in other states. Unfortunately, I will not be able to make verbal comments on this matter at the February Open Meeting, as it coincides with the Line Siting Committee hearing in another matter. Therefore, I offer the following recommendations on amendments that have been offered to date.

I support and recommend adoption of the following amendments:

- **Commissioner Kennedy Amendments 1, 2, Revised 3, and 4**
- **Commissioner Tovar Amendments 1 and 2**
- **Chairwoman Marquez Peterson Amendment 2**

It is critical that resource planning be truly forward looking. IRPs that do not consider early coal retirement dates are unrealistic and shortsighted. We heard APS say during their rate case open meetings that they could not have known in 2015 that further investment in Four Corners was a bad investment. That simply should not be the case with sufficient resource planning that considers a multitude of scenarios, including early retirement of fossil assets. Further, transparency by the utility with stakeholders regarding the inputs, assumptions, and modeling is critical for meaningful evaluation.

I support and recommend the following amendments with modifications:

- **Commissioner Tovar Revised Amendment 3**

- **Commissioner O'Connor Revised Amendment 1**
- **Chairwoman Marquez Peterson Substitute Amendment 1(A)**

One of the repeated ideas during the vote on the Energy Rules last month was that the utilities have already made clean commitments, so there is no need for regulatory intervention. While I disagree with this sentiment, it logically follows that evaluation of decarbonization should, therefore, be evaluated in the IRP process. However, I strongly recommend that Commissioner Tovar update her amendment to reflect decarbonization targets and years that are compliant with climate science. Since the energy rules failed, I see no reason to maintain decarbonization metrics well past mid-century. I recommend 100% decarbonization by 2040 or 2045 at the latest, with the earliest metric of 50% commencing in 2030.

I support the recommended the changes submitted by WRA on February 4, 2022, in this docket regarding Commissioner O'Connor's Revised Amendment 1.

Regarding Chairwoman Marquez Peterson's Substitute Amendment 1(A), the point of resource planning is to keep the lights on, so the first policy statement is redundant. I support adding the second policy statement and suggest possibly pairing this with Commissioner Tovar's Revised Amendment 3. Like my discussion of Commissioner Olson's Amendment 1 below, "cost effective" is vague. The costs of carbon emissions should be included in these evaluations, not just the costs of trying to reduce them. It costs something to do nothing on climate change.

I respectfully oppose and recommend voting against the following amendments:

- **Commissioner Olson Amendment 1**
- **Chairwoman Marquez Peterson Revised Amendment 1(B) and 4**

While I can appreciate a technology agnostic approach for at least one portfolio, Commissioner Olson's amendment is too vague. Least-cost needs further definition. Commissioner Olson continues to ignore the costs of carbon emissions. Any analysis that does not include the social cost of carbon or some other proxy is a comparison of apples and oranges and not only adds no value to the analysis but presents misleading results.

I strongly believe the Chairwoman's focus on the possibility for overbuilding renewables is misplaced and impractical. It also seems in direct conflict with her other amendments about resource adequacy. An emphasis on various storage alternatives to be included within the IRPs would be a better use of analytical capacity.

It is of utmost importance that the Commission vote and move forward with this docket, as we have already started work on the 2023 IRPs. I recommend acknowledgment of the TEP IRP and the APS Accelerate IRP with the amendments discussed above.

Respectfully,

/s/ Autumn T. Johnson

CEO

Tierra Strategy, *Public Interest Policy Advocacy*

520-240-4757

autumn@tierrastrategy.com